

Message Text

UNCLASSIFIED

PAGE 01 TEHRAN 04670 161052Z
ACTION NEA-11

INFO OCT-01 ISO-00 H-02 PA-02 SP-02 ICA-20 AID-05
EB-08 NSC-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01
CIAE-00 COME-00 FRB-01 INR-10 NSAE-00 XMB-04
OPIC-06 LAB-04 SIL-01 /106 W
-----111307 171354Z /43

R 160837Z MAY 78
FM AMEMBASSY TEHRAN
TO SECSTATE WASHDC 8385

UNCLAS TEHRAN 4670

EO 11652: N/A
TAGS: EFIN, EINV, IR
SUBJ: BANKING - CITIBANK SALE OF EQUITY IN IRANIANS
BANK

REF: TEHRAN 4468

1. CITIBANK'S LONG PLANNED (AND REPORTED REFTEL AND PREVIOUS) SALE OF 30 OF ITS 35 PERCENT EQUITY IN ITS AFFILIATE IRANIANS' BANK, ACQUIRED IN 1969, WAS ACCOMPLISHED THROUGH THE TEHRAN STOCK EXCHANGE MAY 15. THE INTENTION WAS THAT SOME 360 EMPLOYEES OF IRANIANS BANK BE THE BUYERS WITH ASSISTANCE IN CREDITS FROM THE BANK. THE SALE PRICE OF RIALS 3000 COMPARES WITH THE NOMINAL SHARE VALUE OF RLS. 1000 AND MOST RECENT TSE TRANSACTION OF RLS. 3350. CITIBANK RETAINS 5 PERCENT EQUITY AND WILL ENJOY ONLY NORMAL SHAREHOLDER RIGHTS. ITS THREE OFFICERS IN THE BANK HAVE RESIGNED. CITIBANK AND IRANIANS' BANK OFFICERS SAY THE "DIVORCE" WAS AMICABLE. THE TIME BY WHICH THE BANK MUST REMOVE THE CITIBANK LOGO HAS NOT BEEN DETERMINED BUT WILL PROBABLY BE THREE MONTHS.

2. THE REASON FOR THE SALE WAS STATED IDENTICALLY IN PRESS RELEASE BY IRANIANS' BANK PRESIDENT ALI SALMAN-
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TEHRAN 04670 161052Z

POUR AND CITIBANK'S SR. V.P. (MIDDLE EAST) EDWIN HOFFMAN, I.E. THAT IS CITIBANK'S GENERAL POLICY TO HAVE AFFILIATE RELATIONSHIPS WHEN CITIBANK HAS MANAGMENT CONTROL OR A SUBSTANTIAL MAJORITY POSITION AND THAT IRANIAN BANKING LAW PERMITS NEITHER. SALMANPOUR ADDED IN THE RELEASE CARRIED IN MAY 16 TEHRAN PRESS THAT THE SALE OF SHARES TO THE BANK'S EMPLOYEES WAS

IN LINE WITH THE SHAHANSHAH'S WISHES ON WIDE-SPREAD
PARTICIPATION BY THE PEOPLE IN ECONOMIC AFFAIRS AND
THAT THE BANK ANTICIPATED INCREASED EFFICIENCY AND
PRODUCTIVITY FROM THE ACTION.
SULLIVAN

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, BANK BRANCHES
Control Number: n/a
Copy: SINGLE
Draft Date: 16 may 1978
Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978TEHRAN04670
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780207-1062
Format: TEL
From: TEHRAN
Handling Restrictions:
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780552/aaaabsdz.tel
Line Count: 67
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: ba373e9c-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: ONLY
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: ONLY
Reference: 78 TEHRAN 4468
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2673282
Secure: OPEN
Status: NATIVE
Subject: BANKING - CITIBANK SALE OF EQUITY IN IRANIANS BANK
TAGS: EFIN, EINV, IR, CITIBANK
To: STATE
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/ba373e9c-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014